



O: (858) 332-2480 | F: (858) 314-3161 | www.inflexusmgmt.com | 2815 Camino Del Rio South, Suite 118 San Diego, CA 92108

PROFESSIONAL PROPERTY MANAGEMENT AGREEMENT

_____ (“Owner”) and SoCal Property MG Corp. d/b/a INFLEXUS MANAGEMENT (“Broker”) agree to as follows:

1. **APPOINTMENT OF BROKER:** The Owner hereby employs, appoints and grants Broker the exclusive right to rent, lease, operate and manage the property (ies) known as

and any additional property that may later be added to this Agreement, upon the terms below, for the period of one year commencing _____ (Start Date) and ending on _____ (End Date) provided, however, that either party may terminate this agreement by providing written notice to the other party no less than thirty (30) days prior to the last day of the term of this agreement. This agreement, unless negotiated prior to the last day of the term shall continue as an Exclusive Agreement by which either party may cancel agreement by giving at least sixty (60) days written notice to the other.

2. **BROKER ACCEPTANCE:** Broker accepts the appointment and grant, and agrees to:
 - (a) Use due diligence in the performance of this agreement.
 - (b) Furnish the services of its company for the rental, leasing, operating and management of the Property.
3. **AUTHORITY & POWERS:** Owner grants Broker the authority and power, at Owner’s expense, to:
 - (a) **RENTAL/LEASING:** Initiate, sign, renew or cancel rental agreements and leases for the Property, or any part of it; collect and give receipts for rents, other charges and security deposits. Any lease executed by Broker for Owner shall not exceed one year, unless, otherwise agreed upon in advance in writing. **Rental/ lease rate shall be market rate, unless Owner specifies another amount of \$_____.** All leases shall be drafted in the name of the owner with Inflexus Management acting as the Broker for the Owner.
 - (b) **TENANCY TERMINATION:** Sign and serve in Owner’s name notices which are required or appropriate: commence and prosecute actions to evict tenants; recover possession of the Property in Owner’s name; recover rents and other sums due; and when expedient, settle, compromise and release claims, actions and suits, and/or reinstate tenancies.
 - (c) **REPAIR/MAINTENANCE:** Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase and pay bills for services and supplies. **Broker shall obtain prior approval of Owner on all expenditures over \$_____** for any one item. Prior approval shall not be required for monthly or recurring operation charges, or, if in Broker’ opinion, emergency expenditures over the maximum are needed to protect the Property or other property(s) from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law. Broker shall not advance Broker’s own funds in connection with the Property or this Agreement.
 - A. Broker reserves the right to complete work via Broker’s employees and/or independent contractors on jobs such as small repairs, handyman work, plumbing, painting, quick fixes, make ready work, hauling, cleaning, monthly landscaping/ gardening, etc.
 - B. Broker reserves the right to markup the cost of any third party vendors including landscape, repairs, fixes, maintenance, or handyman work by ten percent (10.00)%. Owner agrees this is fair, reasonable and just compensation for Broker procuring, negotiating the lowest price and managing such services.
 - (d) **ADVERTISING:** Use best efforts in marketing property for rent using methods that have proven to be productive. Display a For Rent/Lease sign on the Property and extensive internet marketing. Should



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the Owner choose to participate in paid advertising such as in the newspaper, the owner will be billed for the cost of that type of advertisement.

- (e) **CONTRACT/SERVICES:** Contact, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of Broker’s duties through attorneys, agents, employees, or independent contractors, and, except for persons working in Broker’s firm, shall not be responsible for their acts, omissions, defaults, negligence, and/or costs of same. All employees shall be deemed employees of the owner, and Broker shall not be liable to owner or others for any act or omission on the part of such third-party or independent contractors.
- (f) **EXPENSE PAYMENTS:** Pay expenses and costs for the Property from Owner’s funds held by Broker, unless otherwise directed by Owner. Expenses and costs may include, but are not limited to, property management fees and charges, expenses for goods and services, property taxes and other taxes, Owner’s Association dues, assessments, loan payments, and insurance premiums. Payments being made by Broker are based on availability of funds in Owner’s account. Should funds not be available to Broker, Broker will not be held liable for any late fees, penalties, assessments or other fees associated with payments not made or made past due date. Broker is not obligated to advance funds to Owner to pay such expenses. Owner shall pay Inflexus Management all expenses and costs incurred upon demand of Broker. Notwithstanding any provisions to the contrary in this Agreement, should Broker elect to advance funds to Owner, Owner shall be charged interest at the greater of 2% per month-compounded daily (using a 30 day month) or at the highest rate which may be lawfully charged. Owner agrees Brokers emailing of monthly Owner statement(s) to the last known address of Owner is sufficient notice that Broker has advanced funds to Owner and the amount of the balance due Broker as of the reporting period in the statement. Broker will not be held liable for any additional fees incurred due to delivery errors made by the postal service or other delivery services.

4. **MONTHLY PAYMENTS** for the following expenses are to be paid on behalf of the owner by (if applicable):

	OWNER	IM	HOA	TENANT	N/A	
Mortgage Payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Property Taxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
HOA Dues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Lawn/ Landscape Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Pool Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Routine Cleaning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Electric/Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial_____

- 5. **SECURITY DEPOSITS:** Inflexus Management shall receive security deposits from tenants, which shall be placed in Broker’s trust account and, if held in Broker’s trust account, pay from Owner’s funds all interest on tenants’ security deposits if required by local law or ordinance.
- 6. **TRUST FUNDS:** Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Broker’s personal or non-trust accounts. Owner hereby waives any rights it may have against Broker should the financial institution cause any liability or damage to Owner including without limitation any bank charges, the event of bankruptcy, or failure of financial institution. Broker shall not be liable in event of bankruptcy or failure of a financial institution. Upon



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termination of Broker's services under this Agreement, Broker shall have sixty (60) days after the Termination Date to close Owner's account.

(a) **RESERVES:** Maintain a reserve in Brokers account of: \$ _____. Please elect one of the following:

I choose to have the reserve withdrawn from the first month's rent.

or

I will provide Broker with the reserve upon signing this contract.

(b) **DISBURSEMENTS:** Disburse Owner's funds, held in Broker's trust account, in the following order.

1. Fees and compensation due Broker
2. All other expenses, costs and disbursement due from Owner's funds held by Broker.
3. Reserves and Deposits held by Broker.
4. Balance to Owner at the end of the month with statements.

Should the disbursements be in excess of the rents collected by the Broker, the Owner hereby agrees to pay excess promptly upon demand of the Broker.

7. **OWNER STATEMENTS:** Emailed monthly. Broker shall render monthly statements of receipts and expenses for each Property.

8. **OWNERS RESPONSIBILITIES:** The Owner shall:

- (a) Provide all documentation, records and disclosures as required by law or required by Broker to manage and operate the Property, and immediately notify Broker if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
- (b) Indemnify, defend and hold harmless Broker, and all persons in Broker's firm, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of any person, including Owner, for: (i) any repairs performed by Owner or by others hired directly by Owner; or (ii) those relating to the management, leasing, rental, security deposits, or operation of the Property by Broker, or any person in Broker's firm, or the performance or exercise of any of the duties, powers or authorities granted to Broker.
- (c) Maintain the Property in a condition fit for human habitation as required by Civil Code 1941 and 1941.1 and Health and Safety Code 17920.3 and 17920.10 and other applicable law.
- (d) Carry and pay for liability and property damage insurance adequate to protect the interests of Owner and Broker. Broker shall be added by Owner to Owners insurance policy as additional insured
- (e) Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in Broker's trust account available for such payment.
- (f) Immediately replace any funds required if there are insufficient funds in Broker's trust account to cover Owner's responsibilities.

9. **LEAD-BASED PAINT DISCLOSURE**

(a) The Property was constructed on or after JANUARY 1, 1978.

(b) The Property was constructed prior to 1978.

(c) Owner has no knowledge of lead-based paint hazards in the housing except: _____

(d) Owner has no reports or records pertaining to lead-based paint or lead-base paint hazards in the housing, except the following, which Owner shall, provide to Broker _____

10. **COMPENSATION**

(a) Owner agrees to pay Broker's fees as follows:

A. For Management: _____ (%) per month or \$ _____ per month minimum, whichever is greater while Property is leased.

B. For Leasing:

a. _____ (%) of first months rent

or

b. (\$) _____ flat fee.

c. Leasing fee to be collected from first month's rent each time unit is rented.

- (b) **EXTRAORDINARY SERVICES:** The above compensation is for normal property management services only. For purposes of this Agreement, normal property management services do not include providing: 1) on-site office for management services; 2) services arising from the sale, financing or refinancing of the property; 3) any modernization of the property; 4) fire or damage restoration or rehabilitation; 5) obtaining income tax, accounting, or legal advice; 6) representation or appearing before public agencies; 7) advising on proposed new construction; 8) debt collection from delinquent ex-tenant(s); 9) collecting coins from coin operated machines; 10) any counseling; 11) attending Owner's Association meetings; 12) Coordination of Insurance claims or insurance related repairs. 13) Other services not customarily performed by Broker for clients of similar properties to the Managed Property. If Broker performs services not included in normal property management services as defined above, Owner shall pay Broker an additional fee equal to one hundred dollars (\$100.00) per hour plus costs and expenses incurred in performing such service. This rate does not include the sale of this or any other real property.
- (c) **LEGAL SUPPORT:** Owner acknowledges Broker is not licensed to practice law. Should Broker and/or Owner deem it necessary to engage in legal counsel arising from the management of the Managed Property, including without limitation collection of rent, eviction of a tenant of lessee, or other matters, Owner hereby authorizes Broker to engage attorneys selected by Broker for such legal services. Owner further agrees to pay when due all fees, costs, and expenses for such attorneys. Owner further agrees to pay fees, costs and expenses arising from any unlawful detainer action of any tenant, lessee, or person claiming a right of occupancy at the Managed Property or any part thereto. Owner agrees to pay Broker a fee of one hundred fifty dollars (\$150) for each legal action which arises from the management of the Managed Property which is uncontested by all of the adverse parties to such action. Owner agrees to pay Broker a fee of two hundred dollars (\$200) for each legal action which arises from the management of the Managed Property which is contested by one of more of the adverse parties to such action. In addition to the above fee, it should be necessary for an employee or independent contractor of Broker to appear at any discovery event (i.e. deposition), hearing, or trial (including any appeal) Owner agrees to pay Broker one hundred (\$100) per hour for each person appearing from Broker of for the preparation of such appearance.
- (d) **OTHER COMPENSATION:** Owner acknowledges and agrees Broker may:
- A. Receive and keep one hundred percent (100%) of the fees and charges from tenants for (i) requesting an assignment of lease of sublease of the Managed Property, (ii) processing tenant credit applications, (iii) returned checks and/ or non-sufficient funds, (iv) late fee, (v) processing fees for rent paid through credit card, electronic check, or debit card, (vii) other services that are not in conflict with this Agreement
 - B. Perform any of its obligations under this Agreement or otherwise including products and services for the Managed Property, through affiliated companies or organization in which Broker may own an interest, and Broker and/or the affiliated companies or organizations may receive fees, commissions, and/or profits arising from such products and services.
11. **CANCELLATION:** Should either party fail to adhere to any of the terms and conditions contained herein, this contract may be canceled with a sixty (60) day notice during term as referenced in paragraph one (1). Said cancellation shall be by mutual consent and agreement. Should the Owner elect to cancel management prior to the anniversary date of the contract, the contract may be canceled by giving agent



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sixty (60) days written notice of cancellation. 1) If a lease is in action during the time of cancellation then a buy-out payment will be due to Broker by Owner for the amount of the management fees due for the remainder of the contract. 2) Should the property not be leased during the time of cancellation then the cancellation fee is fifty percent (50%) of the remaining management fees due to Broker by Owner through the term of the contract. However, if the property is not leased, but a qualified tenant is procured by Broker, the Owner shall pay the Broker one thousand dollars (\$1000).

- 12. **BROKER ASSUMES NO LIABILITY:** Broker assumes no liability whatsoever for any acts or omissions of Owner, or any previous Owners of the Premises, or any previous management or other Agent of either. Broker assumes no liability for any failure of or default by tenant in the payment of any rent or any other charges due Owner or in the performance of any obligations owed by any tenant to Owner pursuant to any lease or otherwise. Nor does Broker assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Broker shall be brought to the attention of the Owner in writing, and Owner shall promptly cure them.
- 13. **NOTICES:** If it shall become necessary for Broker or Owner to give notice of any kind, the same shall be written, and served, by sending such notice by certified mail to the address shown under their signature or via email.
- 14. **BINDING:** This Agreement shall be binding upon the successors of the Broker, and the heirs, administrators, executors, successors and assigns of the Owner.
- 15. **OWNERS DISTRIBUTION:** Broker shall distribute Owners excess proceeds monthly, unless otherwise instructed by Owner, in writing. Direct Deposit is Inflexus Management’s preferred method of payment to Owners. Please fill out account information below of where you would like your Owner’s funds deposited into:

Account Holders Name: _____
 Name of Bank: _____
 ABA #: _____
 Account #: _____
 Account Type: Checking Savings

- 16. **DISPUTE RESOLUTION:** If any legal action or proceeding arising out of or relating to this management agreement is brought by either party to this agreement, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys’ fees, costs and expenses incurred in the action or proceeding by the prevailing party.
- 17. **TAX WITHHOLDING**
 - (a) If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Broker to withhold and transmit to California Franchise Tax Board (“FTB”) 7% of the gross payments to Owner that exceed \$1,500 received by Broker, unless Owner completes and transmits to Broker FTB form 589, nonresident reduced withholding request, FTB form 558, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.
 - (b) If Owner is a nonresident alien individual, a foreign entity or other non-U.S. person (Foreign Investor) Owner authorizes Broker to withhold and transmit to the Internal revenue Service (IRS) 30% of the gross rental receipts, unless owner elects to treat rental income as “effectively connected income” by submitting to Broker a fully completed IRS form W-8ECI, Certificate of Foreign Person’s Claim for Exemption From Withholding on income Effectively Connected With the Conduct of a Trade of Business in the United States. A foreign investor will need to obtain a U.S. tax payer identification number and file declaration with the IRS regarding effectively connected income in order to complete

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the form given to Broker. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement.

X _____
[Owner Signature] [Owner Full Name]

[Home Address]

_____ [Email] _____ [Phone Number]

[Social Security Number, for tax reporting]

On behalf of Broker, Inflexus Management,

By:
BRE License no. 01946895